

Senior Residential Services Program Department of Administration – Program 4

I. PROGRAM OBJECTIVES

The Alaska Legislature created the Alaska Commission on Aging (ACoA) in 1981 to ensure dignity and independence for Alaska's elderly, and assist them in maintaining meaningful, quality lives. As part of the Division of Senior Services, the ACoA plans, coordinates, and grants funds to provide community-based services to help seniors live as independently as possible. Services include meals, rides, residential care, adult day programs, respite care, care coordination, support to families of dementia clients, legal services, and a variety of other support services. The Division of Senior Services is the State Unit on Aging for the Older Americans Act. Alaska is a single planning and service area state.

A. Accounts Structure.

ACoA administration is in the Division's Protection, Community Services, and Administration budget component. The ACoA oversees four grants programs, in four additional budget components:

- The Home and Community-Based Care (HCB) budget component includes grant funds supporting adult day services, respite care, care coordination, and Alzheimer's Disease education and family support. Funding sources include state general funds authorized under AS 47.65 and state general funds allocated from the Alaska Mental Health Trust Authority.
- The Senior Residential Services (SRS) budget component includes grant funds supporting senior residential services. Funding sources include state general funds authorized under AS 47.65
- The Nutrition, Transportation and Support Services (NTS) budget component includes grant funds supporting senior nutrition, transportation, and supportive services. Funding sources include federal Title III B, C, D, and F of the Older Americans Act, U.S. Department of Agriculture cash reimbursement, required state general fund match, and state general funds authorized under AS 47.65.
- The Senior Community Service Employment Program (SCSEP) budget component includes grant funds supporting the senior employment

program. Funding sources include federal Title V, required state general fund match, and state general funds authorized under AS 47.65.

B. Program Organization

The ACoA grants separate awards for HCB, SRS, NTS, and SCSEP services. HCB grant awards for adult day services, respite care services, care coordination, and support for families of dementia clients require grantees to implement sliding fee schedules ad when possible, bill third party insurance and other third party payer sources. SRS grant awards for senior residential services allow grantees to charge fees for services. In contrast, federal regulations govern NTS grants for meals, rides, and a variety of support services through Title III of the Older Americans Act, and prohibit the assessment of client fees, though allow for the solicitation of voluntary contributions. The SCSEP is separate because it is a jobs program, rather than a services program such as NTS, HCB, and SRS-- although SCSEP participants often fill staff positions in the services programs. Separate HCB and SRS grant awards also ensure that Alaska Mental Health Trust Authority (MTHA) funds are allocated and tracked. In addition, HCB and SRS services are ACoA's more intensive, higher cost-per-client services.

II. PROGRAM PROCEDURES

See Section III, below.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirements

Senior Residential Services are a separate component that uses ACoA funds to provide residential living for seniors 60 and over who are unable to live alone but who can maintain themselves in a supervised setting with minimal assistance. ACoA funds two facilities, one in Kotzebue and one in Tanana.

Funds for grants must be spent only to support the above service. Each grantee's service plan is identified in the specific grant application unless modified by grant condition or Approved Concept Approval Request.

The following ACoA grants management policies applicable to SRS grants have been in effect since FY93:

- Grants are awarded based on approved “bottom-line” budgets. Grantees no longer have line item accountability to ACoA within their SRS budgets.

- Grantees must submit a “Concept Approval Request” form if they wish to change their projects in some way that will cause service levels to increase or decrease more than 5% from the planned service levels shown on their Planned Services form or make any other *very major change* from what has been submitted in the grant application. “Very major changes” include adding or discontinuing a service, opening or closing a site; changing the number or days of service; changing hours of service; serving more or fewer months of the year; shifting large amounts into travel for more than one trip out of state; purchase of equipment; etc.

Suggested Audit Procedures

- Review specific Request for Proposals under which the grant is funded.
- Review the grant application, Special Conditions of Award on the final Notice of Grant Award, and any approved Concept Approval Requests to determine the approved service plan. Occasionally, letters or memoranda in the file may document approved changes in grant activities.
- Determine whether accounting records provide for identification, classification, and recording of expenditures and revenues for senior residential services.
- Verify that expenditures were in accordance with grant terms and conditions and were for allowable costs.

B. ELIGIBILITY

Compliance Requirement

Senior Residential Services (SRS) provides residential care to physically frail or disabled seniors 60 years of age and over (see RFP for other eligibility criteria).

Suggested Audit Procedures

- Test participant eligibility.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirements

All SRS programs must provide required match as described in the RFP. Local match must be comprised of cash or in-kind items necessary to provide the services of the grant. In-kind match items must be items for which ACoA grant dollars could be used if they were available. Rent receipts and program income may be used as match for SRS programs. For a complete discussion of local match, refer to the Cost Proposal Instructions in the RFP under which the grant is funded.

The required local match percentage varies for each community or group of communities from year to year. The amount of local match required is specified on the final Notice of Grant Award.

Suggested Audit Procedures

- Review final notice of Grant Award to identify the required level of local match.
- Review grant application and any approved Concept Approval Requests to identify the approved sources of local match.
- Review the agency's accounting records to determine whether local match has been contributed to the project according to the terms and conditions of the grant.

D. REPORTING REQUIREMENTS

Compliance Requirements - Program Reports

Quarterly Program Reports are due in the Alaska Commission on Aging Juneau office by the 15th of the month following the end of the quarter. Provisions for late reports are discussed in the instructions for the report. Reports must show all of the required information for each service provided or client group served under the grant.

Suggested Audit Procedures

- Review the SRS Quarterly Program Report Instructions for the grant year being audited.
- Evaluate the timeliness of report submission
- Evaluate the completeness of the reports based on approved grant service activities.
- Evaluate the accuracy of the reports by tracing and linking data on the reports to supporting documentation.

Compliance Requirements - Fiscal Reports

Cumulative Fiscal Reports are due in the Alaska Commission on Aging Juneau office by the 15th of the month following each quarter. If the fourth quarter's report is not marked "Final," a final Cumulative Fiscal Report is due in the ACoA Juneau office by July 30. Provisions for late reports are discussed in the instructions for the report. Reports are to accurately reflect the financial transactions of the grant as specified in the instructions for the report.

Suggested Audit Procedures

- Review the Cumulative Fiscal Report Instructions for the grant year being audited.
- Evaluate the timeliness of report submission;

- Evaluate the completeness of the reports based on approved grant service activities.
- Evaluate the accuracy of the reports by tracing and linking data on the reports to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

1. Program Income SRS programs may solicit program income from clients; however, fees for services may usurp program income from clients. Programs must account for program income from clients and spend those funds to enhance or expand the SRS program. Program income must be expended during the quarter in which it is received. Requests to carry over program income into the next fiscal year must be approved by ACoA. Program income must be expended before ACoA grant funds, unless ACoA has specifically approved other arrangements.
2. Rent SRS programs must charge clients rent based on a percentage of the resident's income, or as established by the facility. Tanana Elders Residence charges rent based on a percentage of each client's monthly income. Kotzebue Senior Citizens Cultural Center charges a fixed rent.
3. Rent should be treated as match or program income. It does not need to meet federal definitions because it is not a federally funded program.
4. Program Income Not From Clients SRS programs potentially will receive and report interest on bank accounts, rent from the grant portion of the building space, or other sources of program income not from clients.
5. Other Sources Medicaid Waiver receipts used to support the grant should be classified as "Other Sources."
6. Handling Client Personal Cash Residential facilities personnel generally handle the personal cash of residents who are unable to do so for themselves. A method to account for client personal cash, paying interest to clients based on their bank deposits, tracking client expenses, etc., should be established and followed by each facility.
7. Criminal Background Checks of In-Home Employees Each employee of an agency providing publicly funded home care services (homemaker, chore, personal care, home health, and similar services), including volunteer staff and Senior Employment Program participants who provide these services, must have a criminal background check done by the Department of Public Safety, pursuant to AS 12.62.035. Senior Residential Services grantee facilities are classified as "assisted living facilities," which provide home care. As such, their employees are required to have criminal background checks. Each grantee must adhere to this statute and pursuant regulations.

Suggested Audit Procedures

- Review the grant application (and Notice of Grant Award for possible modifications) to determine the source of program income, whether it was to be solicited from clients, and to determine whether rent and program income were to be used as match.
- Evaluate the solicitation, collection, handling, accounting for, and use of rent and program income.
- Review procedures for handling residents' personal cash. Verify that methods used by facilities to handle client personal cash are in place and accurately track clients' funds, personal expenses, and interest earned.
- Review documentation of receipt and expenditure of Medicaid Waiver revenue to determine whether it is classified as "Other Sources" when dedicated to SRS grant services.
- Review records to verify that each employee performing home care services has had a criminal background check and has no record of criminal behavior relating to children or senior citizens.

Modified 5/00